

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION**

UNITED STATES OF AMERICA	§	
	§	
V.	§	CRIMINAL CASE:
	§	9:15CR24 (1-3)
WALTER DIGGLES (1)	§	
ANITA DIGGLES (2)	§	
ROSIE DIGGLES (3)	§	

JOINT STATUS REPORT

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, the United States of America, represented by Tom Gibson and Jim Noble, Assistants U.S. Attorney for the Eastern District of Texas; Walter Diggles, represented by Ryan Gertz; Rosie Diggles, represented by Bobby D. Mims; and Anita Diggles, represented by James Makin and file this JOINT STATUS REPORT as ORDERED by the Court on June 8, 2016. Counsel hereby represents to the Court the following:

1. On December 2, 2015, the grand jury handed up a 51 page indictment returned against the Defendants charging *Conspiracy to Commit Wire Fraud* in violation of 18 U.S.C. Sec. 1349, 1343; *Wire Fraud* in violation of 18 U.S.C. Sec. 1343; *Theft* concerning programs receiving Federal funds in violation of 18 U.S.C. Sec. 666; and *Engaging in monetary transactions in property derived from specified unlawful activity (money laundering)* in violation of 18 U.S.C. Sec 1957. The indictment further seeks forfeiture of certain property as well as \$1,355,853.12 in Cash Proceeds pursuant to 18 U.S.C. Sections 981(a)(1)(c) and 982(a)(1) and (2), and 28 U.S.C. Sec 2461.
2. On December 21, 2015, the Defendants, with the undersigned defense counsel, appeared

before the U.S. Magistrate for the Beaumont Division for an initial appearance and arraignment. The Defendants entered pleas of Not Guilty and were released on bond.

3. Pursuant to the Court's discovery order, Rule 16 of the Federal Rules of Criminal Procedure, and its general discovery obligations, the Government has produced to the attorneys for the Defendants several classes of information. First, the Government has provided .pdf scans of many documents to defense counsel. These documents were provided by secure file transfer and were accompanied by general lists describing the types of documents being disclosed. Second, the Government has provided a combined load file containing native digital files from multiple computer drives and cell phones seized during the execution of multiple search warrants in the investigation leading to the indictment in this case. This load file is text-searchable and can be sorted for review of the data included. Third, the Government has made multiple items available for inspection and review, including documents, computer drives, and phones that were seized during the execution of search warrants, along with other documents gathered during the investigation. This discovery has taken place pursuant to the schedule imposed by the Court in the standard discovery order that was entered by the presiding U.S. Magistrate.

4. Since the Government provided the above discovery, the Defense has been undertaking to review this digital material. The defense attorneys have had technical issues regarding the format that was used to deliver these materials. The Defense has been required to seek assistance from outside sources to gain access to much of this material in the load file described above. The government technical personnel have cooperated with the defense in gaining access. However, the main problem for the defense is the sheer volume of the material that needs to be reviewed before a meaningful announcement can be made to the Court.
5. The defense lawyers understand this indictment is a result of an investigation by the FBI and the IRS Agents that was conducted over a four (4) year period prior to indictments. At a meeting in Lufkin, Texas on March 4, 2016, the defense team for Rosie Diggles met with these government agents and were shown two (2) rooms containing multiple boxes of documents gathered during the execution of multiple search warrants during the investigation leading to the indictment (as noted in paragraph three (3) above). A substantial amount of the documents in these boxes has been scanned and provided by .pdf to defense counsel (also as noted in paragraph three (3) above); this material provided by .pdf includes what the Government deems to be material that has significant bearing on the charges against the Defendants.
6. At a meeting in Lufkin, Texas on March 4, 2016 between the defense team for Rosie Diggles and the prosecutors and agents, the government made a presentation of the charges and some of the key evidence in the case against Rosie Diggles. Since that time the defense for Rosie Diggles has been undertaking to conduct a counter investigation

and to fully prepare a defense to that which was disclosed by the government. A similar meeting took place between lead counsel for the government, one of the case agents, and counsel for Anita Diggles on June 3, 2016. Additionally, counsel for the government and counsel for Walter Diggles have scheduled a case presentation meeting on June 29, 2016, where the same type of presentation will be made.

7. The present status of the preparation for trial for Rosie Diggles is that it is in progress and a great amount of discovery material is yet to be reviewed. The Defendants' present estimate of the absolute earliest this case could be ready for trial is April 30, 2017. The Government estimates the case could be ready for trial in October of 2016.
8. At this time, counsel for the Government believes it could present its case in chief (not including cross examination by the defense) in two (2) weeks. At this time, the defense cannot make a good faith estimate of the total time for trial but will represent to the Court cases of this magnitude, with this amount of digital material to review and prepare for trial are sometimes tried for approximately four (4) weeks during which the parties are required to maintain themselves away from their home offices and residences.

WHEREFORE, the parties submit the above as the present status of the case.

Respectfully submitted,

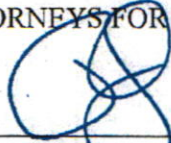
JOHN M. BALES
UNITED STATES ATTORNEY
EASTERN DISTRICT OF TEXAS



By: Thomas E. Gibson
Assistant U.S. Attorney
Texas Bar No. 07875450
110 N. College, Suite 700
Tyler, Texas 75702
Telephone: 903-590-1400
Telecopier: 903-590-1436
Email: tom.gibson@usdoj.gov

James W. Noble
Assistant U.S. Attorney
Texas Bar No. 07875450
110 N. College, Suite 700
Tyler, Texas 75702
Telephone: 903-590-1400
Telecopier: 903-590-1436
Email: James.Noble@usdoj.gov

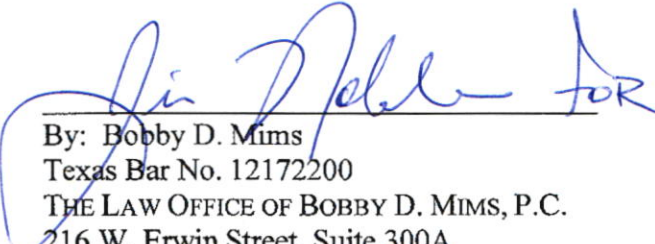
ATTORNEYS FOR THE UNITED STATES



By: Ryan W. Gertz
Texas Bar No. 24048489
THE GERTZ LAW FIRM
Attorneys at Law
2630 Liberty
Beaumont, Texas 77702
Telephone: 409-833-6400
Telecopier: 409-833-6401
Email: rgertz@gertzlawyers.com

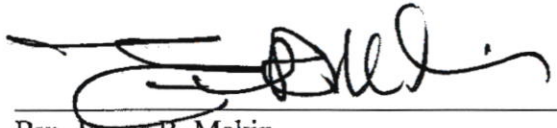
David E. Bernsen
Texas Bar No. 02217500
Email: dbernsen@bernsenlaw.com
BERNSEN LAW FIRM
420 N. MLK, Jr. Pkwy
Beaumont, Texas 77701
Telephone: 409-212-9994
Telecopier: 409-212-9411

ATTORNEYS FOR WALTER DIGGLES



By: Bobby D. Mims
Texas Bar No. 12172200
THE LAW OFFICE OF BOBBY D. MIMS, P.C.
216 W. Erwin Street, Suite 300A
Tyler, Texas 75702
Telephone: 903-595-2169
Telecopier: 903-596-0710
Email: bobbymims@gmail.com

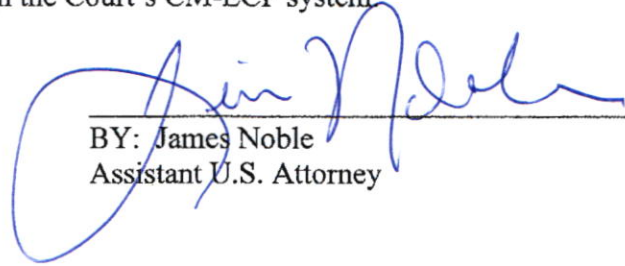
ATTORNEY FOR ROSIE DIGGLES



By: James R. Makin
Texas Bar No. 12852500
LAW OFFICE OF JAMES R. MAKIN, P.C.
1900 Broadway Street
Beaumont, Texas 77701
Telephone: 409-833-2827
Telecopier: 409-832-4393
Email: julia@jamesrmakin.com

CERTIFICATE OF SERVICE

I hereby certify that on the 16 day of June, 2016, I electronically served a copy of this document on all counsel of record through the Court's CM-ECF system.


BY: James Noble
Assistant U.S. Attorney